



REQUEST FOR PROPOSALS

DVC RFP 09-251 Northern Retriever

PURPOSE

Washington State Department of Natural Resources (DNR) is accepting bids and plans for the deconstruction and disposal of the Northern Retriever, USCG doc # 243385, a 186 foot steel-hulled vessel currently located at the Port of Grays Harbor.

PROPOSAL DUE DATE

To be considered, proposals must be received by the DNR Bids Coordinator, whose name and address are listed below, no later than **2:00 p.m. (PST) April 10, 2009**. Postmarks as proof of date received by DNR will not be accepted. Please note that items sent through the US Postal Service are delivered through Consolidated Mail Service to government offices so the Contractor should allow extra time for delivery. E-mail and fax copies are acceptable but DNR is not responsible for transmission failures. Items that are hand-delivered should be brought to the Aquatics Division front desk on the first floor of the Natural Resources Building (1111 Washington St SE, Olympia, WA 98504-7027). Please note that all proposals submitted are subject to disclosure under the Public Records Act—RCW 42.17.250.

BIDS COORDINATOR

The Bids Coordinator is the sole point of contact in the DNR for this Project. All communication between the Bidders and the DNR shall be with the Bid Coordinator, as follows:

Name	Melissa Montgomery
Phone Number	(360) 902-1574 office, (360) 789-7656 cell
Fax Number	(360) 902-1786
Address	P.O. Box 47027, 1111 Washington St SE
City, State, Zip Code	Olympia, WA 98504-7027
E-mail Address	melissa.montgomery@dnr.wa.gov

Communication with individuals other than the Bids coordinator will be considered unofficial and non-binding on the DNR. Bidders are to rely on written statements issued by the Bids Coordinator.

PROJECT LOCATION

The vessel is located at the Port of Grays Harbor, Aberdeen, Grays Harbor County, Washington.

BACKGROUND

The Northern Retriever is an ocean-going tug built in 1943. The engines are partially disassembled. None of the vessel equipment appeared operable or cost effectively repairable; a copy of the marine survey is attached as Attachment 1 for general background but the contractor should conduct their own assessment of the vessel and not rely on DNR's survey. The ship's original design drawings are available electronically from DNR.

The Department of Ecology paid for a general removal of hazardous materials. Tanks have oily residue remaining (in at least two tanks significant quantities of sludge remain). Asbestos and other hazardous materials integral to the vessel have not been fully assessed. Areas likely to include asbestos are evident.

The vessel grounded out at low tide in Hoquiam for more than 15 years. An underwater survey indicates that the hull plating is significantly worn in many areas. The hull survey is included in Attachment 2. The survey is provided for general reference only and Contractor should not rely on it as documenting all hull breaches. At least four of the integral tanks have been breached through the hull, including a breach across the keel that was approximately six inches wide and four feet long. Several other areas show damage. Currently, the vessel does not appear to be taking on water except into the breached tanks. The major through-hull breaches that we know about have been temporarily patched using "Spash Zone" epoxy, however, unpatched holes remain.

The vessel may not be moved beyond Grays Harbor without a dead ship tow plan approved by the US Coast Guard.

EXPECTED PERIOD FOR CONTRACT

April 27, 2009 to June 30, 2009

CONTRACTOR SELECTION

Proposals (content described below) will be received from contractors who are licensed to do business in the state of Washington. The bids and plans will be reviewed for their ability to derive some monetary value from the vessel, either in whole or in scrap, and to be accomplished in an environmentally sound manner, at the most reasonable cost, and in accordance with federal, state, and local laws including the state solid waste disposal provisions embodied in RCW 70.95. DNR reserves the right to reject any of the bids for budgetary reasons. Bids and disposal plans will not be accepted from contractors that do not inspect the *Northern Retriever*. The *Northern Retriever* will be available for inspection by arrangement. Contractors may not board the vessel without notifying DNR. The area is subject to Homeland security requirements—someone with a TWIC card must accompany the site visit. Please make all site visit arrangements with the Bid Coordinator and do not disturb the Port of Grays Harbor staff.

SCOPE OF WORK

DNR will entertain three types of disposal scenarios:

- A. Deconstruction of the vessel within Grays Harbor County as described in this RFP
- B. Deconstruction of the vessel within an NPDES permitted shipyard outside of Grays Harbor County, within the US

C. Deconstruction of the vessel outside of the US with restrictions.

Contractors may submit more than one bid to address different scenarios. Bids that involve scuttling the vessel will not be approved. DNR will review all of the scenarios for technical feasibility, cost, potential liability, potential to support Washington jobs, and environmental concerns as outlined later in this RFP.

Regardless of the disposal scenarios, Contractor may take possession of the *Northern Retriever* as soon as the contract is awarded and Notice to Proceed is given. The Contractor must take possession of the vessel no later than May 15, 2009. Once Contractor takes possession of the vessel it will be contractor's responsibility to maintain the vessel until it is deconstructed. The *Northern Retriever* must be moved out of the Port of Grays Harbor at the time of possession unless arrangements have been previously made with the Port of Grays Harbor. If the Contractor plans to leave the vessel at the Port for any period of time while the vessel is in Contractor's possession, Contractor must include with their bid confirmation that the responder has met with Port officials and has agreed to comply with the requirements of the Port, which include:

- Agreement to pay all published tariffs for the Port terminal berth, this includes but is not limited to, dockage, wharfage, service and facility charges, longshoremen charges and other charges relating to the vessel.
- That the responder has reviewed and agrees to be bound by the Port's tariff as published at http://www.portofgraysharbor.com/downloads/PGH_TerminalTariff_1.pdf
- When the vessel is to leave the berth the local longshoremen will release the lines and the contractor will be billed for that activity. The contractor cannot just let loose the lines and haul away the vessel;
- That the Port shall have the authority to move the vessel in order to accommodate other commerce, that the cost of moving shall be borne by the contractor;
- The contractor will be required to conform to the Port's working hours requirements;
- Security arrangements and provision for payment must be made;
- A substantial bond for the above;
- A date certain that the vessel must be removed from the Port;

Due to the current funding source, the vessel must be substantially deconstructed by June 30, 2009.

Contractor will be responsible for the deconstruction of and disposal of the vessel in accordance with all applicable federal (OSHA) and state (WISHA and L&I) regulations including the solid waste disposal provisions of RCW 70.95. Non-hazardous waste streams must be identified, segregated and disposed of accordingly.

Under all scenarios, the Contractor will be responsible for the disposal of any dangerous/hazardous materials found onboard the vessel and must take all reasonable and

prudent measures to ensure containment of any dangerous/ hazardous materials to the immediate vicinity of the work area. Any materials testing will be the responsibility of the Contractor.

The Contractor will be responsible for towing the *Northern Retriever* from the current location to the disposal facility. Contractor will be responsible for filing a dead ship tow plan with the USCG prior to towing the vessels.

The Contractor will be required to itemize all costs and subcontracts as much as practicable. Minimum itemization requirements are outlined in the Proposal Components section.

Scope of the deconstruction and disposal of the vessel includes all items on board. DNR will finish removing items by April 4, 2009. Any items left on board at that time will be included in ship disposal. DNR will not be removing the engines or other major fixtures.

A. Deconstruction of the Vessel within Grays Harbor County.

Since there are no shipyards in Grays Harbor and due to the condition of the hull, DNR will entertain bids for the deconstruction of the vessel within Grays Harbor. Note that the Port of Grays Harbor is not interested in having the vessel deconstructed at their facilities so contractors would need to find another location from which to work. In reviewing the plans submitted for this option DNR will work with the Washington Department of Ecology for approval of the plan. Contractors pursuing this option should submit enough information about their proposed work plan to sufficiently address potential impacts to water quality. Please do not contact Ecology for pre-approval of the plan but rather direct questions to the DNR bids coordinator. If clarification is needed from the contractor it will be requested during the bid review.

Successful bidders will meet the following criteria:

- For facilities located on state-owned aquatic lands, must be in good standing with DNR.
- Control of or written letter of intent indicating availability of, sufficient pier space to support the deconstruction effort.
- Have experience with vessel deconstruction as a prime contractor within the past twenty-four (24) months.
- Ability if awarded the contract, to begin work at their facility by not later than May 15, 2009 and complete the work not later than June 30, 2009.
- Have direct experience, or a subcontractor with direct experience, with inspection/remediation/abatement of PCBs and in/on vessels in the past twenty-four (24) months.
- Have direct experience or a subcontractor with direct experience, with inspection/remediation/abatement of Asbestos and Lead Paint in/on vessels in the past twenty-four (24) months.
- Documented ability and licensed maritime personnel as employees or subcontractor(s) to take possession of vessels on location and safely relocate them to the contractor's facility.
- Have a marine architect either on staff or under contract to oversee cutting of superstructure to maintain vessel's integrity while it is in the water, or use a submersible barge to bring the vessel out of the water.
- Have a plan for protecting water quality. This plan at a minimum should address:
 - How the vessel will be boomed throughout deconstruction process.

- How the Contractor will contain all slag and debris within the vessel or within a barge while deconstructing the interior of the vessel and how debris will be transferred to land/pier that will keep debris from falling into the water.
- How Contractor will catch/contain slag or other debris when cutting portions of the hull over the water, if applicable;
- How oil sludge and other remnant hazardous materials will be collected and abated to prevent release at the site;
- How the final hull portion will be lifted out of the water and cut up on land or on a barge where runoff is fully contained and treated prior to disposal.
- How stormwater will be contained and treated on the upland work area.

B. Deconstruction of the vessel outside of Grays Harbor County, within the US.

If the vessel is to be taken out of Grays Harbor County, the deconstruction site must be an NPDES permitted shipyard or graving yard or upland location willing to accept the vessels unless otherwise approved by the Department of Ecology's Water Quality Division or another state's equivalent. All required best management practices, monitoring and reporting requirements will be met by the Contractor.

To the extent that prep work outside of the dry dock, graving yard, or upland facility is acceptable to the Department of Ecology's Water Quality Division (or other state's equivalent) that work may be conducted prior the ship entering the facility.

Successful bidders will meet the following criteria:

- For facilities located on state-owned aquatic lands, must be in good standing with DNR.
- Have evidence of sufficient pier space to support the deconstruction effort.
- Have experience with vessel deconstruction as a prime contractor within the past twenty-four (24) months.
- Ability if awarded the contract, to begin work at their facility by not later than May 15, 2009 and complete the work not later than June 30, 2009.
- Have direct experience, or a subcontractor with direct experience, with inspection/remediation/abatement of PCBs and in/on vessels in the past twenty-four (24) months.
- Have direct experience or a subcontractor with direct experience, with inspection/remediation/abatement of Asbestos and Lead Paint in/on vessels in the past twenty-four (24) months.
- Documented ability and licensed maritime personnel as employees or subcontractor(s) to take possession of vessels on location and safely relocate them to the contractor's facility.
- Conduct any repairs required to the vessel in order to obtain a dead ship tow plan from the USCG and to make the ship safely towable to its end destination.

C. Deconstruction of the vessel outside of Grays Harbor County, outside of the US.

The requirements for this option include those described in Section B above. Disposal facilities located outside of the United States will be acceptable provided they meet or exceed US standards for shipyard practices and provided that the Contractor tests for hazardous materials and abates them prior to the vessel leaving the US in compliance with the Toxics Substances Control Act and any other relevant legislation.

Contractor must test for PCBs and Asbestos and must abate them and any other toxic materials unless they are demonstrated to be below EPA approved limits or secure a waiver from USEPA.

Contractor should submit information on the final destination as well as plans for testing the vessel and abating any hazardous materials.

VALUABLE MATERIALS

Fifty percent of the proceeds of the sale of any part(s) of the vessels—including scrap—or of equipment or items found on the vessel will be remitted to DNR or taken as partial payment for services rendered to DNR under this contract. The Contractor may also accept part(s) of the vessel or equipment found on the vessel as partial payment for services rendered to DNR under this contract. Value gained from the sale of parts of the vessel, must be inventoried.

RELATED CONTRACT PROVISIONS

The winning Contractor is required to pay prevailing wages to its workers (and file a notice of intent to pay prevailing wages), file a performance security bond, and purchase the necessary insurances naming DNR as additionally insured.

The security performance bond must be equal in value to the total contract amount (the amount bid in the proposal). All insurance and surety bonds should be issued by companies admitted to do business within the state of Washington and have a rating of A-, Class VII or better in the most recently published edition of Best's Reports.

Performance security bonds and proof of insurances must be provided within ten (10) business days of contract award. The amounts of required insurances are listed at the end of the RFP.

PROPOSAL COMPONENTS

Proposals for the demolition and disposal of the *Northern Retriever* submitted under this request for proposals must contain a description of each of the following elements:

A. Company Information

- A.1 Contractor's business name, address, principal place of business, telephone number, fax number, website address, Federal Employer Tax Identification number (FTIN) or Washington Uniform Business Identification number (UBI).
- A.2 Contact details for Contractor's Project Manager, including e-mail address.
- A.3 List of previous work experience in the vessel salvage/disposal field.

B. Compliance Statements

- B.1 Compliance with proposed dates of work—statement that the Contractor has available personnel and equipment to complete the work within the designated period for contract.
- B.2 Compliance with DNR's proposed payment terms and invoicing terms.
- B.3 Compliance with the required insurance coverages and performance bond. Compliance with delivery of insurances and bond within ten (10) business days of notification of

successful bid. Compliance with all Related Contract Provisions as described in this Request for Proposal.

- B.4 Statement certifying that the contractor or contractor's representative has inspected the vessels.
- B.5 Verifiable statement that the contractor has met with the Port of Grays Harbor and is willing to meet their requirements if the vessel is to be kept at the Port of Grays Harbor once the vessel is in contractor's possession.

Proposals for the demolition and disposal of the *Northern Retriever* submitted under this request for proposals must contain a description and projected cost of each of the following elements (if applicable):

C. Technical Proposal

- C.1 Preliminary list of potential dangerous/hazardous materials.
- C.2 Proposed spill containment and spill response procedures.
- C.3 Proposed dangerous/hazardous waste handling procedures for each waste stream (liquid and solid), including the inventory process that will be used for tracking.
- C.4 Proposed final destination of dangerous/hazardous wastes.
- C.5 Proposed method(s) of vessel towing and deconstruction, including proposed equipment, and including proposed hull repairs, if any.
- C.6 Proposed method(s) of hauling/transporting debris.
- C.7 Proposed final destination of non-hazardous materials.
- C.8 Proposed cleanup procedures of storage location (if applicable).
- C.9 Plan of Work/Work Schedule.

D. Management Proposal

- D.1 Proposed management structure for the project, to include anticipated number of Contractor's personnel and their roles.
- D.2 Names and contact information for sub-contractors to be used.

E. Cost Proposal

- E.1 Total cost of all work, including tax as a line item.
- E.2 Itemized costs, including at least the following elements: personnel costs; sub-contractor costs; towing cost; dangerous/hazardous waste handling and disposal costs; landfill costs; ancillary (yard and material) costs; insurance costs; tax rate and amount.
- E.3 Any equipment or parts of the vessel the contractor wishes to keep and their proposed value.

Proposals that do not address all of the above elements will not be considered.

PROPOSAL EVALUATION

Correctly submitted proposals will be evaluated on the above elements.

Evaluation will score each proposal based on the following criteria:

- Experience of the contractor—element A.3 (above) 25%

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| ▪ Technical proposal—elements C.1 through C.9 (above) | 40% |
| ▪ Management proposal—elements D.1 through D.2 (above) | 10% |
| ▪ Cost proposal—elements E.1 through E.3 (above) | 20% |
| ▪ Economic Stimulus—work kept in state or in country | 5% |

However, DNR reserves the right to reject any of the bids for budgetary reasons.

DEBRIEFING PERIOD

Unsuccessful bidders may request a debriefing. The request for debriefing must be made, in writing, within five business days of contract award. (Holidays are not included as business days). Note that all proposals submitted are subject to disclosure under the Public Records Act—RCW 42.17.250.

Discussion will be limited to a critique of the requesting Consultant’s proposal. Comparisons between proposals or evaluations of the other proposals will not be allowed. Debriefing conferences may be conducted in person or on the telephone and will be scheduled for a maximum of one (1) hour.

PROTEST PROCEDURE

Bidders who responded to this RFP and participated in a debriefing conference may file a protest to the selection of the winning proposal with the Bids Coordinator within three (3) business days after the debriefing conference.

Bidders protesting this selection shall follow the procedures described below. DNR will not consider protests that do not follow these procedures. This protest procedure constitutes the sole administrative remedy available to Bidders under this procurement.

All protests must be in writing and signed by the protesting party or an authorized Agent. The protest must state the grounds for the protest with specific and complete statements of the action(s) being protested. A description of the relief or corrective action being requested should also be included. All protests shall be addressed to the Bids Coordinator.

Only protests stipulating an issue of fact concerning the following subjects shall be considered:

- A matter of bias, discrimination or conflict of interest on the part of the evaluator;
- Errors in computing the score; and
- Non-compliance with procedures described in the procurement document.

When DNR receives a protest, DNR will hold a protest review. The Commissioner of Public Lands or his delegate will consider all available facts and issue a decision in five business days of receiving the protest. If additional time is required, the protesting party will be notified of the delay.

If a protest might affect the interest of other Bidders, they will be given an opportunity to submit its views and any relevant information on the protest to the Bids Coordinator.

The final determination of the protest shall:

- Find the protest lacking in merit and uphold the DNR's action; or
- Find only technical or harmless errors in the DNR's acquisition process conduct and determine the DNR to be in substantially compliance and reject the protest; or
- Find merit in the protest and provide the DNR options which may include:
 - Correct the errors and re-evaluate all proposals, and/or
 - Reissue the solicitation document.
 - Make other findings and determine other courses of action as appropriate.

If the DNR determines that the protest is without merit, the DNR will enter into a contract with the apparently successful Contractor.

PAYMENT TERMS

Invoices will be paid within thirty (30) days following receipt of properly completed invoice vouchers. Invoices will show a clear breakdown of the costs, and should include dangerous/hazardous waste handling and disposal receipts; landfill disposal receipts, and receipts for ancillary costs. Invoices may be submitted on a monthly basis but 10% of total project cost will be held until project completion. Due to Biennial Closure procedures all invoices for work conducted through June 30, 2009 must be submitted by July 7, 2009.

REQUIRED INSURANCES

Commercial General Liability (CGL)/Marine General Liability (MGL)

With a limit of not less than Five Million dollars (\$5,000,000) per each occurrence. If such CGL/MGL insurance contains aggregate limits, the General Aggregate limit shall be at least twice the "each occurrence" limit. CGL/MGL insurance shall have products-completed operations aggregate limit of at least two times the "each occurrence" limit. CGL/MGL insurance shall be written on Insurance Services Office (ISO) occurrence form CG 00 01 (or a substitute form providing equivalent coverage). All insurance shall cover liability arising out of premises, operations, independent contractors, products completed operations, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another party assumed in a business contract), and contain separation of insured (cross liability) condition. MGL insurance shall have no exclusions for non-owned watercraft.

Protection and Indemnity Insurance

Contractor shall procure and maintain Protection and Indemnity (P and I) insurance, including hull coverage. This insurance will cover all claims with respect to injuries or damages to persons or property, including nets and fishing lines, sustained in, on, or about the property, including while at a marina and in transit, with limits of liability not less than One Million dollars (\$1,000,000). If necessary, commercial umbrella insurance covering claims for these risks shall be procured and maintained. Insurance covering claims for these risks shall be procured and maintained.

Workers' Compensation Coverage

Contractor shall comply with all state of Washington workers' compensation statutes and regulations. Workers' compensation coverage shall be provided for all employees of Contractor and employees of any subcontractor or sub-subcontractor. Coverage shall include bodily injury (including death) by accident or disease, which exists out of or in connection with the

performance of this agreement. Except as prohibited by law, Contractor waives all rights of subrogation against state for recovery of damages to the extent they are covered by workers' compensation, employer's liability, commercial general liability, or commercial umbrella liability insurance.

If Contractor, subcontractor or sub-subcontractor fails to comply with all state of Washington workers' compensation statutes and regulations and state incurs fines or is required by law to provide benefits to or obtain coverage for such employees, Contractor shall indemnify state. Indemnity shall include all fines, payment of benefits to Contractor or subcontractor employees, or their heirs or legal representatives, and the cost of effecting coverage on behalf of such employees.

Longshore and Harbor Worker's Insurance

Certain work or services under this agreement may require insurance coverage for longshore and harbor workers other than seaman as provided in the Longshore and Harbor Worker's Compensation Act [33 U.S.C.A. Section 901 et seq.]. Failure to obtain coverage in the amount required by law may result in civil and criminal liabilities. Contractor is fully responsible for ascertaining if such insurance is required and shall maintain insurance in compliance with this Act. Contractor is responsible for all civil and criminal liability that may arise from the failure to maintain such coverage.

Jones Act

Certain work or services under this agreement may require insurance coverage for seaman injured during employment resulting from negligence of the owner, master or fellow crew members as provided in 46 U.S.C.A. Section 688. Failure to obtain coverage in the amount required by law may result in civil and criminal liabilities. Contractor is fully responsible for ascertaining if such insurance is required and shall maintain insurance in compliance with this Act. Contractor is responsible for all civil and criminal liability that may arise from the failure to maintain such coverage.

Environmental Impairment and Contractor's Pollution Liability Insurance

Contractor shall maintain in force for the duration of this contract insurance covering losses caused by pollution conditions that arise from the operations of the contractor described under the scope of services of this agreement. Insurance shall apply to bodily injury; property damage, including loss of use of damaged property or of property that has not been physically injured; cleanup costs, and defense, including cost and expenses incurred in the investigation, defense, or settlement of claims. The insurance policy affording these required coverages shall be written in an amount of at least One Million dollars (\$1,000,000) per loss, with an annual aggregate of at least Two Million dollars (\$2,000,000) if the contract is for the removal of a single vessel. If the contract is for the removal of multiple vessels, the per loss limits remain unchanged, but an annual aggregate of at least Five Million dollars (\$5,000,000) is required. The insurance policy shall be endorsed to include as additional insured the state of Washington, Department of Natural Resources, its officers and employees. An insurer acceptable to the Department shall write the policy of insurance. If coverage is written on a claims-made basis, the Contractor warrants that any retroactive date applicable to coverage under the policy precedes the effective date of this agreement, and that continuous coverage will be maintained or an extended discovery period will

be exercised for a period of thirty-six (36) months beginning from the time that work under the contract is completed. If the scope of services as defined in the agreement includes the disposal of any hazardous or nonhazardous materials from the job site, the Contractor must furnish to the Department evidence of pollution legal liability insurance maintained by the disposal site operator for losses arising from the insured facility accepting waste under this agreement. Coverage certified to the Department must be maintained in minimum amounts of One Million dollars (\$1,000,000) per loss, with an annual aggregate of at least Five Million dollars (\$5,000,000).

Marine Vessel Pollution Liability Insurance

Contractor shall obtain for the duration of the agreement marine vessel pollution liability, including investigation and defense costs, for bodily injury and property damage, including loss of use of damaged property or of property that has been physically damaged or destroyed. Failure to buy and maintain the required insurance may result in a breach and/or termination of the contract at state's option. Such coverage must provide coverage for on-site clean-up costs and cover gradual and sudden pollution, and includes in its scope of coverage, natural resource damage claims. The state of Washington, Department of Natural Resources shall be named as additional insured. Coverage shall be maintained in an amount of at least:

1. Five Million dollars (\$5,000,000) each occurrence for contractor's operations at the site(s) identified above, and
2. If the policy contains a general aggregate limit or policy limit, it shall be at least Ten Million dollars (\$10,000,000).

Such insurance may be provided on an occurrence or claims-made basis. If such coverage is obtained as an endorsement to the CGL and is provided on a claims-made basis, the following additional conditions must be met:

1. The Insurance Certificate must state that the insurer is covering hazardous substance removal.
2. The policy must contain no retroactive date, or the retroactive date must precede abatement services.
3. Coverage must be continuously maintained with the same insurance carrier through the official completion of any work on the agreement Area.
4. The extended reporting period (tail) must be purchased to cover a minimum of thirty-six (36) months beyond completion of work.

Business Auto Policy (BAP)

Contractor shall maintain business auto liability and, if necessary, commercial umbrella liability insurance with a limit not less than One Million dollars (\$1,000,000) per accident. Such insurance shall cover liability arising out of "Any Auto." Business auto coverage shall be written on ISO form CA 00 01, or substitute liability form providing equivalent coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage and cover a "covered pollution cost or expense" as provided in the 1990 or later editions of CA 00 01. Contractor waives all rights against state for the recovery of damages to the extent they are covered by business auto liability or commercial umbrella liability insurance.